

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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To the Members of Council of Municipal District of Peace No. 135

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of consolidated financial statements.

JDP Wasserman LLP have been appointed by the Members of Council of Municipal District of Peace No. 135 to express an opinion on the consolidated financial statements.

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Margaret McClarty  
Chief Administrative Officer

Berwyn, AB  
April 30, 2024



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## INDEPENDENT AUDITORS' REPORT

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To the Members of Council of Municipal District of Peace No. 135

### *Opinion*

We have audited the consolidated financial statements of Municipal District of Peace No. 135 (the "MD"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the MD as at December 31, 2023, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the MD in accordance with ethical requirements that are relevant to our audit of financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The consolidated financial statements of the MD for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 25, 2023.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the MD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the MD or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (Members of Council) are responsible for overseeing the MD's financial reporting process.

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*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the MD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the MD to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
April 30, 2024

**JDP Wasserman  
LLP**  
Chartered Professional Accountants

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 2,128,836	\$ 3,090,304
Accounts receivable <i>(Note 3)</i>	1,261,218	1,855,479
Loan receivable <i>(Note 4)</i>	166,667	191,667
Land held for resale	17,194	17,194
Investments <i>(Note 5)</i>	7,239,211	7,262,505
	<b>10,813,126</b>	12,417,149
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 6)</i>	397,108	247,583
Deposit liabilities	60,000	40,000
Deferred revenue <i>(Note 7)</i>	1,429,267	2,600,762
	<b>1,886,375</b>	2,888,345
<b>NET FINANCIAL ASSETS</b>	<b>8,926,751</b>	9,528,804
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	90,372	69,098
Inventory for consumption	365,380	522,554
Tangible capital assets <i>(Schedule 1)</i>	16,731,963	14,562,143
	<b>17,187,715</b>	15,153,795
<b>ACCUMULATED SURPLUS <i>(Note 9)</i></b>	<b>\$ 26,114,466</b>	\$ 24,682,599

CONTINGENCY *(Note 16)*

**ON BEHALF OF COUNCIL:**

\_\_\_\_\_ *Reeve*

\_\_\_\_\_ *Councillor*

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2023**

	2023 (Budget) <i>(Note 13)</i>	2023 (Actual)	2022 (Actual)
<b>REVENUES</b>			
Net municipal property taxes <i>(Schedule 3)</i>	\$ 3,809,145	\$ <b>3,800,376</b>	\$ 3,489,510
Government transfers for operating <i>(Schedule 4)</i>	245,786	<b>369,446</b>	241,286
Investment income	122,050	<b>359,066</b>	241,886
User fees and sales of goods	145,260	<b>167,841</b>	86,405
Penalties and costs on taxes	97,000	<b>88,592</b>	102,745
Other revenues	78,000	<b>57,383</b>	340,887
Rentals	47,500	<b>44,702</b>	46,331
Licenses and permits	1,560	<b>4,070</b>	2,410
Fines	300	<b>1,050</b>	1,350
	<u>4,546,601</u>	<u><b>4,892,526</b></u>	<u>4,552,810</u>
<b>EXPENSES</b>			
Roads, streets, walks, lighting	2,198,650	<b>2,159,783</b>	2,152,423
General administration	956,485	<b>930,722</b>	862,629
Parks and recreation	670,030	<b>718,925</b>	609,984
Agricultural development	557,777	<b>509,857</b>	528,090
Fire fighting and protective services	329,194	<b>270,393</b>	263,687
Council and legislative	211,750	<b>216,025</b>	200,388
Water and wastewater	113,411	<b>149,365</b>	114,185
Land use planning, zoning and development	98,487	<b>98,682</b>	93,860
Waste management	80,204	<b>81,190</b>	380,093
Family and community support services	62,589	<b>60,021</b>	62,173
Economic development	32,670	<b>32,670</b>	32,670
Culture	24,703	<b>31,803</b>	23,932
Bylaw enforcement	5,400	<b>9,484</b>	6,441
Cemeteries	5,500	<b>7,213</b>	6,335
Airport	-	-	35,000
	<u>5,346,850</u>	<u><b>5,276,133</b></u>	<u>5,371,890</u>
<b>ANNUAL DEFICIT BEFORE OTHER</b>	<u>(800,249)</u>	<u><b>(383,607)</b></u>	<u>(819,080)</u>
<b>OTHER REVENUES (EXPENSES)</b>			
Government transfers for capital <i>(Schedule 4)</i>	414,582	<b>1,745,607</b>	530,420
Gain (loss) on disposal of tangible capital assets	(7,195)	<b>69,867</b>	-
Loss on disposal of investments	-	-	(308,681)
	<u>407,387</u>	<u><b>1,815,474</b></u>	<u>221,739</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>(392,862)</u>	<u><b>1,431,867</b></u>	<u>(597,341)</u>
<b>ACCUMULATED SURPLUS - TO BEGIN YEAR</b>	<u>24,682,599</u>	<u><b>24,682,599</b></u>	<u>25,279,940</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<u>\$ 24,289,737</u>	<u><b>\$ 26,114,466</b></u>	<u>\$ 24,682,599</u>

The accompanying notes form an integral part of these consolidated financial statements.  
JDP Wasserman LLP /// Chartered Professional Accountants

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Consolidated Statement of Changes in Net Financial Assets**  
**For the Year Ended December 31, 2023**

	2023 (Budget) (Note 13)	2023 (Actual)	2022 (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (392,862)	\$ 1,431,867	\$ (597,341)
Amortization of tangible capital assets	833,301	930,060	835,033
Purchase of tangible capital assets	(1,912,826)	(3,223,013)	(863,556)
Proceeds on disposal of tangible capital assets	-	193,000	14,473
Loss (gain) on disposal of tangible capital assets	7,195	(69,867)	23,211
Use (acquisition) of prepaid expenses	-	(21,274)	13,243
Use of inventory for consumption	-	157,174	140,657
	<u>(1,072,330)</u>	<u>(2,033,920)</u>	163,061
<b>DECREASE IN NET FINANCIAL ASSETS</b>	(1,465,192)	(602,053)	(434,280)
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>9,528,804</u>	<u>9,528,804</u>	9,963,084
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 8,063,612</u>	<u>\$ 8,926,751</u>	\$ 9,528,804

**MUNICIPAL DISTRICT OF PEACE NO. 135****Consolidated Statement of Cash Flows****For the Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 1,431,867	\$ (597,341)
Item not affecting cash and cash equivalents:		
Amortization of tangible capital assets	930,060	835,033
Loss (gain) on disposal of tangible capital assets	(69,867)	23,211
	<u>2,292,060</u>	<u>260,903</u>
Changes in non-cash working capital:		
Accounts receivable	594,261	497,938
Loan receivable	25,000	33,333
Accounts payable and accrued liabilities	149,525	(151,666)
Deposit liabilities	20,000	5,000
Deferred revenue	(1,171,495)	44,918
Prepaid expenses	(21,274)	13,243
Inventory for consumption	157,174	140,657
	<u>(246,809)</u>	<u>583,423</u>
Cash flow from operating activities	<u>2,045,251</u>	<u>844,326</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(3,223,013)	(863,556)
Proceeds on disposal of tangible capital assets	193,000	14,473
Net change in investments	23,294	118,496
Cash flow used by investing activities	<u>(3,006,719)</u>	<u>(730,587)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(961,468)</b>	<b>113,739</b>
Cash and cash equivalents - beginning of year	<u>3,090,304</u>	<u>2,976,565</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,128,836</b>	<b>\$ 3,090,304</b>



**MUNICIPAL DISTRICT OF PEACE NO. 135**

**Schedule of Tangible Capital Assets**

**For the Year Ended December 31, 2023**

*(Schedule 1)*

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
<b>COST</b>								
BALANCE, BEGINNING OF YEAR	\$ 444,568	\$ 472,099	\$ 3,538,348	\$ 12,968,358	\$ 4,465,782	\$ 1,630,275	\$ 23,519,430	\$ 22,818,533
Purchase of tangible capital assets	265,650	-	-	1,429,687	1,042,261	485,415	3,223,013	863,556
Disposal of tangible capital assets	-	-	-	-	(410,443)	-	(410,443)	(162,659)
BALANCE, END OF YEAR	\$ 710,218	\$ 472,099	\$ 3,538,348	\$ 14,398,045	\$ 5,097,600	\$ 2,115,690	\$ 26,332,000	\$ 23,519,430
<b>ACCUMULATED AMORTIZATION</b>								
BALANCE, BEGINNING OF YEAR	\$ -	\$ 245,648	\$ 942,205	\$ 4,350,066	\$ 2,531,884	\$ 887,484	\$ 8,957,287	\$ 8,247,229
Amortization of tangible capital assets	-	20,968	71,706	300,455	447,005	89,926	930,060	835,033
Disposal of tangible capital assets	-	-	-	-	(287,310)	-	(287,310)	(124,975)
BALANCE, END OF YEAR	\$ -	\$ 266,616	\$ 1,013,911	\$ 4,650,521	\$ 2,691,579	\$ 977,410	\$ 9,600,037	\$ 8,957,287
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 710,218</b>	<b>\$ 205,483</b>	<b>\$ 2,524,437</b>	<b>\$ 9,747,524</b>	<b>\$ 2,406,021</b>	<b>\$ 1,138,280</b>	<b>\$ 16,731,963</b>	<b>\$ 14,562,143</b>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, 2022	\$ 444,568	\$ 226,451	\$ 2,596,143	\$ 8,618,292	\$ 1,933,898	\$ 742,791		\$ 14,562,143

Included in the net book value of tangible capital assets is work-in-progress of \$Nil (2022 - \$51,995).

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Schedule of Equity in Tangible Capital Assets**  
**For the Year Ended December 31, 2023**

*(Schedule 2)*

	<u>2023</u>	<u>2022</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 14,562,143</b>	\$ 14,571,304
Purchase of tangible capital assets	<b>3,223,013</b>	863,556
Amortization of tangible capital assets	<b>(930,060)</b>	(835,033)
Cost of tangible capital assets disposed of	<b>(410,443)</b>	(162,659)
Accumulated amortization of tangible capital assets disposed	<b>287,310</b>	124,975
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 16,731,963</u></b>	<b><u>\$ 14,562,143</u></b>
Equity in tangible capital assets is comprised of:		
Net book value of tangible capital assets <i>(Schedule 1)</i>	<b><u>\$ 16,731,963</u></b>	<b><u>\$ 14,562,143</u></b>

**MUNICIPAL DISTRICT OF PEACE NO. 135**

**Schedule of Property Taxes**

**(Schedule 3)**

**For the Year Ended December 31, 2023**

	2023 (Budget) (Note 13)	<b>2023 (Actual)</b>	2022 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 3,276,375	\$ <b>3,279,839</b>	\$ 2,786,514
Designated industrial property taxes	1,046,167	<b>1,046,167</b>	1,249,698
Government grants in lieu of property taxes	529,182	<b>516,947</b>	505,500
	<u>\$ 4,851,724</u>	<u>\$ <b>4,842,953</b></u>	<u>\$ 4,541,712</u>
Alberta School Foundation Fund	\$ 869,117	\$ <b>869,116</b>	\$ 895,279
North Peace Housing Foundation	167,930	<b>167,930</b>	151,458
Designated Industrial Property	5,532	<b>5,531</b>	5,465
	<u>\$ 1,042,579</u>	<u>\$ <b>1,042,577</b></u>	<u>\$ 1,052,202</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 3,809,145</u>	<u>\$ <b>3,800,376</b></u>	<u>\$ 3,489,510</u>

**MUNICIPAL DISTRICT OF PEACE NO. 135**

**Schedule of Government Transfers**

**(Schedule 4)**

**For the Year Ended December 31, 2023**

	2023 (Budget) (Note 13)	<b>2023 (Actual)</b>	2022 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 236,786	\$ <b>368,446</b>	\$ 236,786
Local government	1,000	<b>1,000</b>	4,500
Federal government	8,000	-	-
	<u>\$ 245,786</u>	<u>\$ <b>369,446</b></u>	<u>\$ 241,286</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	\$ 414,582	\$ <b>1,745,607</b>	\$ 530,420
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 660,368</u>	<u>\$ <b>2,115,053</b></u>	<u>\$ 771,706</u>

**MUNICIPAL DISTRICT OF PEACE NO. 135**

**Schedule of Expenses by Object**

**(Schedule 5)**

**For the Year Ended December 31, 2023**

	2023 (Budget) <i>(Note 13)</i>	<b>2023 (Actual)</b>	2022 (Actual)
Salaries, wages and benefits	\$ 1,674,750	\$ <b>1,642,950</b>	\$ 1,545,375
Amortization of tangible capital assets	833,301	<b>930,060</b>	835,033
Transfers to other governments	891,451	<b>876,927</b>	715,436
Contracted and general services	810,387	<b>816,418</b>	1,367,659
Materials, goods and utilities	946,786	<b>808,166</b>	804,480
Transfers to individuals and organizations	154,119	<b>154,094</b>	57,419
Provision for allowances	14,556	<b>25,375</b>	-
Transfers to local boards and agencies	20,500	<b>21,127</b>	44,900
Bank charges and short-term interest	1,000	<b>1,016</b>	913
Purchases from other governments	-	-	675
	<b>\$ 5,346,850</b>	<b>\$ 5,276,133</b>	\$ 5,371,890

**MUNICIPAL DISTRICT OF PEACE NO. 135**

**Schedule of Segmented Disclosure**

**For the Year Ended December 31, 2023**

*(Schedule 6)*

	General government	Protective services	Transportation services	Environmental services	Health and welfare	Planning and development	Recreation and culture	<b>2023</b>
<b>REVENUES</b>								
Net municipal property taxes	\$ 627,343	\$ 230,217	\$ 1,849,302	\$ -	\$ 12,017	\$ 374,457	\$ 707,040	\$ <b>3,800,376</b>
Government transfers for operating	24,500	21,000	-	-	51,417	252,529	20,000	<b>369,446</b>
Investment income	341,087	-	-	-	-	-	17,979	<b>359,066</b>
User fees and sales of goods	5,511	28,640	55,154	65,049	3,800	9,687	-	<b>167,841</b>
Penalties and costs on taxes	88,592	-	-	-	-	-	-	<b>88,592</b>
Other revenues	703	-	53,345	1,400	-	-	1,935	<b>57,383</b>
Rentals	32,791	-	7,651	-	-	485	3,775	<b>44,702</b>
Licenses and permits	-	20	-	-	-	4,050	-	<b>4,070</b>
Fines	1,050	-	-	-	-	-	-	<b>1,050</b>
	<b>\$ 1,121,577</b>	<b>\$ 279,877</b>	<b>\$ 1,965,452</b>	<b>\$ 66,449</b>	<b>\$ 67,234</b>	<b>\$ 641,208</b>	<b>\$ 750,729</b>	<b>\$ 4,892,526</b>
<b>EXPENSES</b>								
Salaries, wages and benefits	\$ 597,892	\$ 157	\$ 681,573	\$ 1,236	\$ 6,529	\$ 284,243	\$ 71,320	\$ <b>1,642,950</b>
Transfers to other governments	40,957	155,300	-	44,315	60,021	32,670	543,664	<b>876,927</b>
Contracted and general services	196,715	23,353	418,099	14,105	-	131,970	32,176	<b>816,418</b>
Materials, goods and utilities	183,668	16,309	427,325	67,912	684	72,943	39,325	<b>808,166</b>
Transfer to individuals & organizations	28,136	20,764	-	69,055	-	18,758	17,381	<b>154,094</b>
Provision for allowances	25,375	-	-	-	-	-	-	<b>25,375</b>
Transfers to local boards and agencies	-	-	-	-	-	21,127	-	<b>21,127</b>
Bank charges and short-term interest	1,016	-	-	-	-	-	-	<b>1,016</b>
	<b>1,073,759</b>	<b>215,883</b>	<b>1,526,997</b>	<b>196,623</b>	<b>67,234</b>	<b>561,711</b>	<b>703,866</b>	<b>4,346,073</b>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 47,818</b>	<b>\$ 63,994</b>	<b>\$ 438,455</b>	<b>\$ (130,174)</b>	<b>\$ -</b>	<b>\$ 79,497</b>	<b>\$ 46,863</b>	<b>\$ 546,453</b>
Amortization of tangible capital assets	\$ 72,989	\$ 63,994	\$ 632,785	\$ 33,932	\$ -	\$ 79,497	\$ 46,863	\$ <b>930,060</b>
<b>NET REVENUE (DEFICIT)</b>	<b>\$ (25,171)</b>	<b>\$ -</b>	<b>\$ (194,330)</b>	<b>\$ (164,106)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (383,607)</b>

The accompanying notes form an integral part of these consolidated financial statements.  
 JDP Wasserman LLP /// Chartered Professional Accountants

**MUNICIPAL DISTRICT OF PEACE NO. 135**

**Schedule of Segmented Disclosure**

**For the Year Ended December 31, 2022**

*(Schedule 7)*

	General government	Protective services	Transportation services	Environmental services	Health and welfare	Planning and development	Recreation and culture	2022
<b>REVENUES</b>								
Net municipal property taxes	\$ 693,950	\$ 251,408	\$ 1,459,274	\$ -	\$ 103,309	\$ 372,991	\$ 608,578	\$ 3,489,510
Other revenues	1,087	-	324,027	1,500	-	3,717	10,556	340,887
Investment income	233,126	-	-	403	-	-	8,357	241,886
Government transfers for operating	-	1,000	-	-	49,738	187,048	3,500	241,286
Penalties and costs on taxes	102,745	-	-	-	-	-	-	102,745
User fees and sales of goods	5,744	16,610	6,193	54,058	3,800	-	-	86,405
Rentals	26,065	-	17,166	-	-	175	2,925	46,331
Licenses and permits	-	60	-	-	-	2,350	-	2,410
Fines	300	1,050	-	-	-	-	-	1,350
	<b>\$ 1,063,017</b>	<b>\$ 270,128</b>	<b>\$ 1,806,660</b>	<b>\$ 55,961</b>	<b>\$ 156,847</b>	<b>\$ 566,281</b>	<b>\$ 633,916</b>	<b>\$ 4,552,810</b>
<b>EXPENSES</b>								
Salaries, wages and benefits	\$ 530,002	\$ 8,332	\$ 634,194	\$ 8,666	\$ 63,602	\$ 229,628	\$ 70,951	\$ 1,545,375
Contracted and general services	325,827	103,718	322,757	423,015	33,295	120,208	38,839	1,367,659
Materials, goods and utilities	36,513	8,276	632,474	16,798	17,717	63,966	28,736	804,480
Transfers to other governments	67,957	96,301	35,000	11,867	14,028	50,645	439,638	715,436
Transfer to individuals & organizations	28,926	1,000	-	-	5,963	21,530	-	57,419
Transfers to local boards and agencies	-	-	-	-	7,086	25,584	12,230	44,900
Bank charges and short-term interest	913	-	-	-	-	-	-	913
Purchases from other governments	675	-	-	-	-	-	-	675
	<b>990,813</b>	<b>217,627</b>	<b>1,624,425</b>	<b>460,346</b>	<b>141,691</b>	<b>511,561</b>	<b>590,394</b>	<b>4,536,857</b>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 72,204</b>	<b>\$ 52,501</b>	<b>\$ 182,235</b>	<b>\$ (404,385)</b>	<b>\$ 15,156</b>	<b>\$ 54,720</b>	<b>\$ 43,522</b>	<b>\$ 15,953</b>
Amortization of tangible capital assets	\$ 72,204	\$ 52,501	\$ 562,998	\$ 33,932	\$ 15,156	\$ 54,720	\$ 43,522	\$ 835,033
<b>NET REVENUE (DEFICIT)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (380,763)</b>	<b>\$ (438,317)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (819,080)</b>

The accompanying notes form an integral part of these consolidated financial statements.  
JDP Wasserman LLP /// Chartered Professional Accountants

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**1. ACCOUNTING POLICIES**

The consolidated financial statements of Municipal District of Peace No. 135 (the "MD") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the MD are as follows:

*(a) Reporting Entity*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the MD and are, therefore, accountable to MD Council for the administration of their financial affairs and resources.

The schedule of property taxes also includes requisitions that are not part of the reporting entity.

The consolidated financial statements exclude trust assets that are administered for the benefit of external parties.

*(b) Basis of Accounting*

The MD follows the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the MD has met any eligibility criteria, and reasonable estimates of the amounts can be made.

*(c) Cash and Cash Equivalents*

Cash and cash equivalents includes items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

*(d) Investments*

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment. When there has been a loss in value that is other than a temporary decline, the respective investment is written-down to recognize the loss. Gains on principal protected notes are recognized as income when sold.

*(e) Land Held for Resale*

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

*(continues)*

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**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**1. ACCOUNTING POLICIES (continued)**

*(f) Non-Financial Assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the Consolidated Statement of Changes in Net Financial Assets for the year (page 7).

*(g) Inventories for Consumption*

Inventories of materials and supplies for consumption are recorded at the lower of cost or net realizable value with cost determined using the average cost method.

*(h) Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	20 years
Buildings	50 years
Engineered structures:	
Bridges	variable
Water system	60 years
Wastewater system	60 years
Other	30 - 40 years
Machinery and equipment	5 - 20 years
Vehicles	10 - 15 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue. Tangible capital assets received or purchased as part of a restructuring transaction are recorded at carrying value at the date of receipt and also are recorded as revenue.

Tangible capital assets under construction are not amortized until the asset is substantially complete and available for productive use. Those tangible capital assets not meeting this criteria are categorized as work-in-progress as of year-end.

Works of art for display are not recorded as tangible capital assets but are disclosed.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

*(i) Landfill Closure and Post-Closure Liability*

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the MD is required to fund the closure of its landfill site and provide for post-closure costs of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is to be provided for over the estimated remaining useful life of the landfill site based on usage.

*(continues)*

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**1. ACCOUNTING POLICIES (continued)**

*(j) Contaminated Sites*

Contaminated sites are defined as a result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the MD is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

*(k) Tax Revenue*

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the MD and are recognized as revenue in the year in which the local improvement project is completed.

*(l) Requisition Over-levies and Under-levies*

Requisition over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. If the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

*(m) Use of Estimates*

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The MD has used estimates to determine accrued liabilities, tangible capital asset useful lives and well as provisions made for allowances for amounts receivable or any provision for impairment.

*(continues)*

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**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**1. ACCOUNTING POLICIES (continued)**

*(n) Asset Retirement*

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the MD to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with the use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the MD reviews the carrying amount of the liability. The MD recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The MD continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

*(o) New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2023, *PS3400 Revenue* provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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**2. CASH AND CASH EQUIVALENTS**

	2023	2022
Bank accounts	\$ 1,072,576	\$ 2,202,583
Temporary investments	1,055,660	887,121
Pety cash / floats	600	600
	<b>\$ 2,128,836</b>	<b>\$ 3,090,304</b>

Temporary investments include investment portfolio cash and high interest savings accounts, as well as guaranteed investment certificates ("GICs") and bonds which have a maturity of 90 days or less at acquisition.

To access funds from certain bank accounts and temporary investment accounts requires notice of 31 to 90 days.

The MD does not have any existing credit facility agreements in place.

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**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**3. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
Receivable from other governments	\$ <b>685,420</b>	\$ 1,188,977
Taxes and grants in place of taxes	<b>300,240</b>	570,860
Accrued interest	<b>171,701</b>	60,974
Goods and Services Tax recoverable	<b>77,861</b>	26,303
Trade and other	<b>31,337</b>	13,882
Utility accounts	<b>2,966</b>	2,790
	<b>1,269,525</b>	1,863,786
Less: allowance for doubtful accounts	<b>(8,307)</b>	(8,307)
	<b>\$ 1,261,218</b>	\$ 1,855,479

**4. LOAN RECEIVABLE**

Loan to North Peace Housing Foundation has a variable interest rate equal to the ATB prime lending rate. The loan is repayable in quarterly principal payments of \$8,333 plus interest. The loan is expected to mature in October 2028.

**5. INVESTMENTS**

	2023 Market Value	2023 Cost	2022 Market Value	2022 Cost
Bonds	\$ 4,766,840	\$ <b>4,848,733</b>	\$ 4,611,983	\$ 4,872,156
GICs	2,385,000	<b>2,385,000</b>	2,385,000	2,385,000
UFA Co-op Ltd. shares	5,478	<b>5,478</b>	5,349	5,349
	<b>\$ 7,157,318</b>	<b>\$ 7,239,211</b>	\$ 7,002,332	\$ 7,262,505

Investments bear interest at rates ranging from 2.05% to 5.40% (2022 - 2.05% - 5.04%) per annum and mature at dates between August 2024 - June 2035 (2022 - July 2024 - June 2035).

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2023</b>	<b>2022</b>
Trade and other	\$ <b>266,481</b>	\$ 109,715
Employee earned vacation, sick and benefits liability	<b>112,025</b>	119,266
Landfill closure and post-closure liability	<b>18,602</b>	18,602
	<b>\$ 397,108</b>	\$ 247,583

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**7. DEFERRED REVENUE**

Deferred revenue represents unspent externally restricted funds that are related to expenses that will be incurred in a future period.

	<b>2023</b>	<b>2022</b>
Canada Community Building Fund	\$ 673,483	\$ 679,391
Municipal Sustainability Initiative - Capital	<b>648,194</b>	1,588,823
Prepaid property taxes and utilities	<b>95,732</b>	130,491
Other	<b>11,858</b>	7,887
Strategic Transport Infrastructure Program	-	194,170
	<b>\$ 1,429,267</b>	<b>\$ 2,600,762</b>

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**8. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the MD be disclosed as follows:

	<b>2023</b>	<b>2022</b>
Total debt limit	\$ 7,338,789	\$ 6,829,215
Total debt	-	-
Service on debt limit	\$ 1,223,132	\$ 1,138,203
Service on debt	-	-

The debt limit is calculated at 1.5 times revenues of the MD (as defined by Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenues. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the MD. Rather, the consolidated financial statements must be interpreted as a whole.

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**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**9. ACCUMULATED SURPLUS**

	<b>2023</b>	<b>2022</b>
Unrestricted surplus	<b>\$ 2,110,127</b>	\$ 1,755,953
Restricted surplus		
Operating reserves ( <i>Note 10</i> )	<b>356,107</b>	306,107
Capital reserves ( <i>Note 10</i> )	<b>6,916,269</b>	8,058,396
Equity in tangible capital assets ( <i>Schedule 2</i> )	<b>16,731,963</b>	14,562,143
	<b>\$ 26,114,466</b>	\$ 24,682,599

**10. RESTRICTED SURPLUS**

	<b>2023</b>	<b>2022</b>
<b>Operating Reserves</b>		
Tax rate stabilization	<b>\$ 255,600</b>	\$ 205,600
Fire services	<b>50,000</b>	50,000
Economic development	<b>50,000</b>	50,000
Brownvale water and sewer	<b>507</b>	507
	<b>\$ 356,107</b>	\$ 306,107
 <b>Capital Reserves</b>		
Public works	<b>\$ 3,730,561</b>	\$ 4,388,640
Hamlet of Brownvale	<b>874,000</b>	874,000
Agricultural Service Board	<b>633,497</b>	690,000
Fire services	<b>580,466</b>	780,466
Recreation - other	<b>342,588</b>	487,500
Recreation - public reserve for parks and recreation	<b>339,782</b>	317,790
Environment	<b>250,000</b>	250,000
Garbage	<b>90,000</b>	90,000
Administration	<b>75,375</b>	180,000
	<b>\$ 6,916,269</b>	\$ 8,058,396

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**11. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for MD officials, the MD Chief Administrative Officer and designated officers are required by Alberta Regulation 313/200 is as follows:

	Salary (1)	Benefits (2)	2023	2022
<b>Reeve Willing</b>	\$ 38,242	\$ 4,081	\$ 42,323	\$ 44,625
<b>Councillors</b>				
Johnson	32,581	3,461	36,042	41,864
Eastman	28,051	2,965	31,016	37,607
Kinnee	26,101	2,751	28,852	35,190
Herlinveaux	25,262	2,659	27,921	29,757
<b>Chief Administrative Officer</b>				
McClarty	120,000	16,412	136,412	-
Johnson	47,059	9,178	56,237	152,412
<b>Designated Officers</b>				
Director of Legislative Services	91,792	18,845	110,637	100,899
KCL Consulting Inc. (Assessor)	49,183	-	49,183	48,233
	<b>\$ 458,271</b>	<b>\$ 60,352</b>	<b>\$ 518,623</b>	<b>\$ 490,587</b>

(1) Salary includes regular base pay, bonuses, overtime lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition. Benefits also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**12. LOCAL AUTHORITIES PENSION PLAN**

Employees of the MD participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The MD is required to make current service contributions to the LAPP at 8.45% (2022 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% (2022 - 12.80%) on pensionable earnings above this amount. Employees of the MD are required to make current service contributions of 7.45% (2022 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 11.23% (2022 - 11.80%) on pensionable earnings above this amount.

Total current and past service contributions by the MD to the LAPP in 2023 were \$80,783 (2022 - \$86,057). Total current and past service contributions by employees of the MD to the LAPP in 2023 were \$72,076 (2022 - \$76,901).

At December 31, 2022 the LAPP disclosed an actuarial surplus of \$12.671 billion (2021 - \$11.922 billion).

**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**13. BUDGET FIGURES**

	2023 (Budget)	2023 (Actual)
Annual surplus	\$ (392,862)	\$ 1,431,867
Amortization of tangible capital assets	833,301	930,060
Acquisition of tangible capital assets	(1,912,826)	(3,223,013)
Net transfers (to) from reserves	1,472,387	1,092,127
<b>Results of operations</b>	<b>\$ -</b>	<b>\$ 231,041</b>

The budget data presented in these consolidated financial statements is based on the operating and capital budgets approved by MD Council on April 11, 2023. The chart above reconciles the approved financial plan to the figures reported in these consolidated financial statements.

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**14. FINANCIAL INSTRUMENTS**

The MD's financial instruments consist of cash and cash equivalents, investments, accounts receivable, loan receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the MD is not exposed to significant currency, other price or liquidity risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The MD is exposed to credit risk with respect to its accounts receivable. Credit risk arises from the possibility that customers, tax and rate-payers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers, tax and rate-payers minimizes the MD's credit risk.

The MD is exposed to interest rate risk with respect to its investments. Interest rate risk is the risk that the value of financial instruments might be adversely affected by a change in interest rates. The MD manages exposure through its normal operating and financing activities, and holding short-term investments that are approximately equal to any significant specific liabilities as they become due.

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**15. SEGMENTED INFORMATION**

The MD provides a range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in *Note 1*. For additional information see the Schedules of Segmented Disclosure (*Schedule 6 & Schedule 7*).

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**16. CONTINGENCY**

The MD is a member of the Genesis Reciprocal Insurance Exchange. Under the terms of membership, the MD could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

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**MUNICIPAL DISTRICT OF PEACE NO. 135**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**17. TRUST FUNDS**

The MD administers the following trusts which are not reflected in these consolidated financial statements. Changes in the balances are as follows:

	Opening	Receipts less disbursements	Interest earned	<b>Ending</b>
Northern Alberta Elected Leaders	\$ 17,514	\$ 7,423	\$ -	\$ <b>24,937</b>
Tax sale surplus	11,111	-	595	<b>11,706</b>
	<u>\$ 28,625</u>	<u>\$ 7,423</u>	<u>\$ 595</u>	<u>\$ 36,643</u>

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**18. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

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**19. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by MD Council and management.

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